

# Washington Digest

National Topics Interpreted  
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Washington.—Wall Street and the securities market generally have been undergoing a bad case of the jitters. It has been several years since those dealing in money and shares of stock have been so uncertain as to the future and this uncertainty obviously is the cause of the jitters among all people who dabble in the stock market, whether the dabbling be small or large, on margin or for cash.

It seems a proper time, therefore, to examine the picture and try to see what lies beneath. And, let me hasten to say at the very outset that anyone who makes a positive statement about the securities market these days must be either a fool or a superman—and thus far the supermen who have lived on this earth number only one.

But that fact does not destroy the value of an examination of a condition which exists as a fact. Indeed, I think a review of the various factors and influences at work now can provide a clarification of general conditions even though it may fail utterly to show why men and women act as they do with respect to stock market investments.

First, it should be said that Wall Street, as the term is commonly used, is not unanimous within itself. The violent fluctuation of market securities in the last several weeks might easily be said to be due to the war crises in Europe and in the Far East. Only, those fluctuations are not traceable to war conditions. Rather, the war conditions are used by some individuals as an excuse—an alibi to themselves because they fail to fathom the various influences and factors now at work.

I said that Wall Street lacked unanimity within itself. That is true because within Wall Street there are all kinds of selfish groups operating. For example, an influence like inflation is highly pleasing to the brokers and dealers in shares while the same influence frightens bankers and likewise gives a sickening feeling to those who must buy raw products. Bankers and sound investors as well as tax payers generally would be quite happy to see the Federal Treasury's budget balanced because if that were done there would be a much greater sense of security, of safety for those investments.

A dozen other illustrations could be given to thus illustrate the point and show why Wall Street cannot agree. They do not show, however, why there is so much uncertainty and why the bulls or the bears have been unable to adjust themselves to the future probabilities. The reasons, therefore, must lie deeper. It is possible that the appointment of Hugo Black of Alabama as an associate justice of the Supreme court of the United States has had more effect on the business world than any of us realize. I have heard a number of corporation executives say that they hope they will never be involved in litigation which will carry their corporations before the court on which Mr. Black sits. If they entertained that fear before, undoubtedly the fear is deeper-seated and more widespread now that Mr. Justice Black has been publicly accused of holding a life membership in the Ku Klux Klan. Certainly the expose of the typhoon that is swirling around the head of the new associate justice cannot have any soothing effect upon the minds of those business men who, as corporation executives, are trustees of vast sums of the people's money. Undoubtedly, unless Mr. Black can prove that he is not affiliated with the Ku Klux Klan, few litigants will feel safe before the Supreme court.

Then, there comes the resignation of James M. Landis as chairman of the securities and exchange commission which regulates operations of the great stock exchanges. Mr. Landis has been regarded as rather fair, rather just, in his dealings relating to stock market operations. His retirement to return to a professorship in Harvard, of course, opens up the question as to his successor. This is to say that most of the financial world is hoping and praying that the new chairman will not go off at a tangent; that he will avoid extreme radicalism and that he will not blame the whole financial structure for the crookedness of a part of it.

Thus, it becomes easy to see how this minor factor may have weight with some individuals dealing in corporate shares and bonds. William O. Douglas, a member of the commission, has been slated to become chairman but developments in recent weeks give considerable doubt over that result. Mr. Douglas is recorded as being a radical. Bankers and investors in many parts of the country fear that if he is made chairman he will become not unlike the famous bull in a china cabinet. But, according to the undercurrent of gossip around Wash-

ington Mr. Douglas has done something to offend Postmaster General Farley, and no man can draw an appointment as important as the chairmanship of a great commission without Mr. Farley's approval.

Aside from personalities, various phases of President Roosevelt's monetary policies continue to be disturbing and in addition to these there is the certainty that new taxes must be levied. That is, new taxes must be levied if we are ever going to balance the federal budget and begin paying off the gigantic national debt which now amounts to more than 38 billion. With a debt at the highest point our United States ever has known, a great many people, including bankers, have become fearful of what they might get for United States bonds that they now hold. It is obvious that this influence adds to the general uncertainty although it is difficult to measure the exact influence of this condition, or to see whether it is a major or a minor factor.

Having enumerated a few of the influences known to be at work, we come now to that condition which heretofore always has been basic. I refer to general business conditions.

New Deal press agents have tried valiantly to make it appear that business is booming; that prosperity is here instead of around the corner; and that the country has nothing to fear. Careful examination of official figures, however, show the prosperity statements to be true only in parts. The official statistics disclose very definitely how some lines of business are enjoying a volume of trade or production higher even than 1929. They show on the other hand a vast number of failures, an increasing number of big businesses which are barely getting by—which can continue providing their present volume of business is maintained. If the volume of business slips, however, that category of business is going into a tailspin as sure as the sun shines. If a part of the business of the country begins to sink—well, a part of it began to sink in August, 1929, and within two years the whole structure had fallen like a house of cards.

I am not saying that we are confronted with another depression. I do say, however, that we are facing a condition that is not at all satisfactory—a condition that can lead to a depression as easily as it can lead to sound prosperity in commerce and industry.

Astute observers and business men in the larger centers decide their courses upon the outlook for the whole country, not for any particular line of business or any particular section. The number of individuals who see the picture I have attempted to outline in the above paragraph is increasing. As that number increases obviously the wave of uncertainty expands.

So, if one is compelled to make a guess why Wall Street is so concerned or so jittery, it would seem that the explanation must lie in the combination of circumstances. No one of them, except possibly the adverse business outlook, could accomplish as much doubt about the future.

Anyone talking with a hundred different individuals will hear these various factors and influences mentioned. He will hear different weight given by each individual to each factor.

We have been dealing with causes. Let us look at possible effects. It will be remembered how President Hoover was blamed for the depression. He and the Republican party were punished on that account and badly licked in the elections. It ought to be said in Mr. Hoover's behalf that the conditions which led to the depression had their beginning long before he was elected President. Indeed, they had their real beginning in the World war.

President Roosevelt came into office as a result. He started doing things and gaining the confidence of the country to such an extent that he was re-elected last year. Probably he was re-elected largely because of the bulk of the voters feeling he was restoring prosperity. I doubt, however, that Mr. Roosevelt was any more responsible for the return of a superficial prosperity than Mr. Hoover was responsible for the depression.

But we are coming to another election. If conditions should become worse and business should decline perceptibly again, Mr. Roosevelt will be held responsible just as definitely as was Mr. Hoover. He will be charged with having made a mess of government and any attempt on his part to prove the condition was natural will be regarded as an alibi. The whole thing seems to be in the lap of the gods and no amount of political strategy or attempts to amend the law of supply and demand will alter events.

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## WHO'S NEWS THIS WEEK...

By Lemuel F. Parton

NEW YORK.—Jack Doyle, the Irish crooner and heavyweight boxer, sometimes known as the "mild Irish rose," said the other day he had quit fighting. But now word comes from San Francisco that the mauling minstrel wants to get back in the ring and that he has signed Harry Brodie of San Francisco as manager. However, his fiancée, Mrs. Delphine Dodge Cromwell Baker Godde, insists that he stick to his singing. Fighting, she says, is too brutal. Mrs. Godde is a daughter of the late Horace E. Dodge, automobile maker, and an heiress of the Dodge fortune.

At fourteen, Jack Doyle was heaving a 15-pound shovel on the coal docks at Queens-town. At fifteen, he was sailing before the mast on a Finnish vessel. At sixteen, he was in the Irish guards, doubling in the characteristically Celtic pastimes of singing and fighting.

He is six feet four and one-half inches tall and weighs 217 pounds. With his wavy black hair and still unmarred features, he is rated as the handsomest fighter in the business. He once smacked down ten big bruisers all at once—but that was in Hollywood, when he was trying out for the screen, two years ago. He didn't screen well and picked up his fighting again, dumping Buddy Baer neatly in one round.

In 1930, he was champion of the Irish guards. Last April, he gave Kingfish Levinsky a handsome 12-round drubbing. As yet he hasn't any very notorious scalps on his belt, but he is still only twenty-four. Judith Allen, film actress, divorced him last April, and he awaits a final decree before marrying Mrs. Godde, whose divorce from Timothy Godde, London and Paris textile exporter, is also coming through. He has been here two and one-half years and writes home that he's having a wonderful time.

This writer thought the articles about the telepathy experiments at Duke university were one of the most interesting magazine serials of recent years. Dr. J. B. Rhine, with a large staff of assistants, made what appeared to be the first scientific laboratory examination of thought transference. They reported it a fact of everyday life. Their finding was that minds can communicate over long distances. Now it is announced that Dr. Rhine's book, "New Frontiers of the Mind," will appear soon. It will cover the Duke university experiments.

Dr. Rhine qualifies as a disinterested observer, having vigorously assailed fake occultism in the past. Mrs. Rhine has been his co-worker and collaborator in exploring the world beyond the senses. They both took their doctor's degrees at the University of Chicago, later pursuing studies of abnormal psychology. In 1926 and 1927, they conducted in Boston an examination of "Margery," the famous clairvoyant. They reported that "the whole game was a base and brazen trickery, carried out cleverly enough under the guise of spirit manifestations."

Commenting recently on his work at Duke university, Dr. Rhine said: "Our results have a bearing on the general problem of the survival of life after death. They show that the mind has powers not dependent upon the senses, an assumption that is made under the theory that life can exist apart from the body."

Dr. Rhine is head of the unique parapsychological laboratory of Duke university. His telepathy explorations included 100,000 experiments in which he recorded thought transference over a distance of 1,000 miles. He said their validity, as against chance, was in the ratio of 100,000,000,000 to 1.

The Paraguay rebellion is one more reminder that there are no halfway stations on the road to totalitarian rule. President Rafael Franco, Gran Chaco war hero, was driven out several weeks ago, because he wanted to meet Bolivia half way and make concessions in the war settlement. Now the rebels are trying to bring him back.

When he set up his dictatorship last October, Hitler was his model. He invoked the "noble ideal of democracy," but proclaimed his own personal iron-fisted rule. He announced an extreme of both regimentation and freedom. It didn't work, but he may be president again and have another try at it.

Old General Estigarriba chased him out in February, 1936, calling him a communist. By February 20, he was back in power, chasing both the old general and the communists. He is now forty years old, trained in the army, withdrawing in 1934 and back in for the war.

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## Scenes and Persons in the Current News



1—Important matters of state occupied Anthony Eden, British foreign secretary, as he rapped on the Prime Minister's door at 10 Downing street, London, recently. 2—Streams swollen by heavy rains fail to deter the advance of Japanese troops in northern China. 3—As thousands of delegates to the American Legion convention in New York city were called to order, Gov. Herbert H. Lehman of New York (left) and Mayor Fiorello LaGuardia, wearing overseas caps, stand at attention.

### Tennis Queen on Comeback Trail



Helen Wills Moody, once the "Bill Tilden" of women's tennis, who has started a comeback campaign in California. Here she is, just as spry as ever, during a match in a Pacific coast tournament. This was her first tourney since obtaining a Reno divorce. The famous "poker-faced" ace of the courts was triumphant in the match. She and her partner, Francis X. Shields, defeated their doubles opponents.

### Her Photo Saved Life of Husband

A copy of the original photo sent to Gen. Francisco Franco by Mrs. Harold Dahl in a plea to the rebel leader for the life and freedom of her husband, Harold Dahl of Champaign, Ill., who was captured by in-



urgent forces while flying for the Spanish government in the civil war. Impressed by the beauty of the American girl, Franco spared the life of her husband and promised he would be freed.

### Capt. Heap Is Wildcat Threat

Captain Don Heap, one of the most talented halfbacks in the Middle West, is the big threat in North-



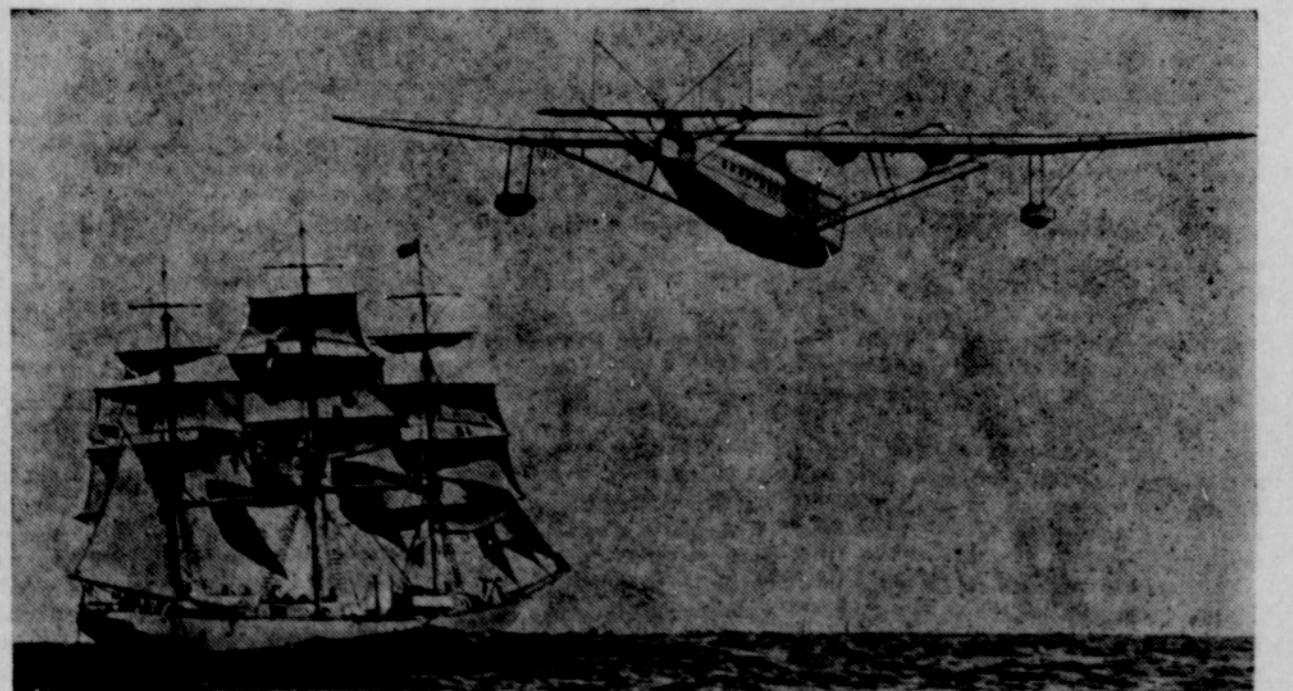
western university's backfield this fall. In addition to running and passing he calls signals. He weighs 172 pounds.

### John Roosevelt and Future Bride



John A. Roosevelt, son of President and Mrs. Franklin D. Roosevelt, is pictured with his fiancée, Miss Anne Lindsay Clark, daughter of Mrs. F. Haven Clark of Boston. Their engagement was recently announced. No date has been set for the wedding as yet.

## Clipper Ships of Today and Yesterday



Pan-America's Bermuda clipper is shown circling over the Seven Seas, one of the few remaining full-rigged ships, as she jockeyed for position at the start of the race from Bermuda to Newport, R. I. The Joseph Conrad was her opponent in the race.